

Investment Objectives & Approach

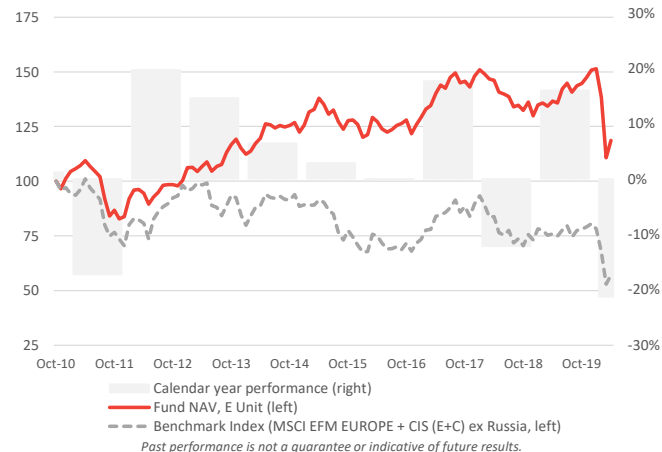
The Fund invests actively in listed equities of European Union new member states and accession countries (Emerging Europe, ex Russia). Benchmark agnostic, it emphasizes bottom-up, value oriented stock picking with a strong small and mid-cap bias. The Fund's investment objective is to maximise upside to internally set target prices, taking into account company quality, liquidity and FX outlook. By implementing our investment process we aim to outperform the market with lower volatility. The Fund typically invests in 30-40 regional companies, who generally demonstrate a competitive advantage or attractive risk/return features. It adheres to the UN Principles for Responsible Investment. Suitable for investors seeking a stock picking portfolio in Emerging Europe, it acts as medium to long term diversifier in a global Emerging Markets, European or Global Equity portfolio.

Fund Manager's Comment, April 2020

Following the tumultuous March global equities staged a strong (relief?) rally amid massive fiscal and monetary measures announced across the globe. MSCI World rebounded 11.6% in € finishing the month only 15% below the mid-February historical high. And this all in the face of expectedly the sharpest and steepest economic decline in history. Emerging Europe posted a less impressive rebound, up 7.0% in €, especially given the notable underperformance a month before. YTD the regional equities have lost almost 30% in € compared to -11% of MSCI World. Such underperformance seems unwarranted given that Emerging Europe economic fundamentals do not entail specific risks that would make the region more vulnerable. Regional currencies were largely stable in April with the exception of Turkish lira (-4.6% to euro) that saw continued pressure amid further rate cuts from the central bank to support the economy. Avaron Emerging Europe Fund gained 7.2% in April supported by strong contribution from Turkey (+2.0ppt), Hungary (+1.2ppt) and Greece (+1.1ppt). Around 22% of the portfolio is invested in Poland, 13% in Turkey, 12% in Hungary and 11% in Romania. We feel comfortable with our current portfolio despite uncertainties related to corporate earnings outlook as the valuations of regional companies are attractive in long-term perspective.

To receive detailed fund manager comment please send a request to info@avaron.com.

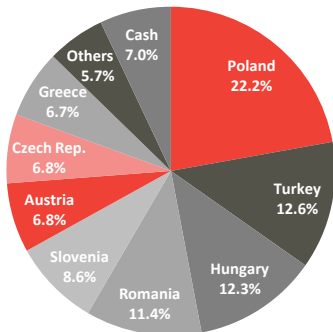
Performance, E Unit



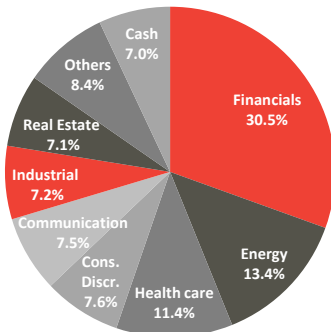
Perf overview	E Unit return	Index return*	Calendar year return, E Unit		
			Year	Gross	Net Index*
1 month	7.2%	7.7%	2019	18.0%	16.0% 10.3%
YTD	-21.3%	-29.2%	2018	-10.9%	-12.2% -18.6%
3 months	-21.7%	-27.1%	2017	19.2%	17.7% 25.3%
6 months	-18.0%	-26.9%	2016	2.1%	-0.1% 1.2%
1 year	-13.2%	-24.9%	2015	6.7%	2.9% -20.0%
3 years	-15.3%	-32.1%	2014	9.4%	6.5% 4.7%
5 years	-14.0%	-37.6%	2013	18.5%	14.6% -13.9%
7 years	11.1%	-41.9%	2012	21.1%	19.7% 39.3%
8 years	25.7%	-29.3%	2011	-16.3%	-17.3% -27.5%

* MSCI EFM EUROPE + CIS (E+C) ex Russia

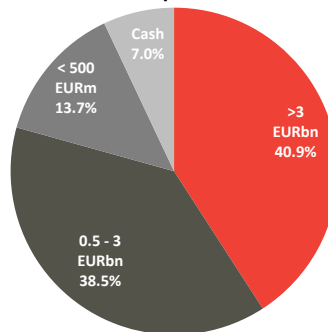
Geographic breakdown



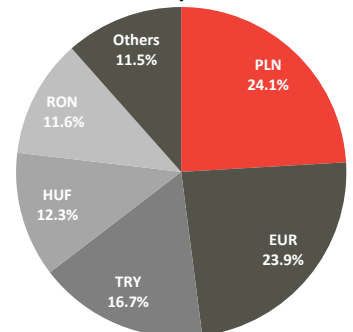
Sector breakdown



Market Cap breakdown



Net currency breakdown



Country allocation

	Apr-20	Change				
		1 mo	3 mo	12 mo	3 years	5 years
Poland	22.2%	-0.8%	-0.5%	1.6%	7.5%	11.2%
Turkey	12.6%	-0.4%	-2.1%	0.4%	-10.8%	3.3%
Hungary	12.3%	2.9%	7.1%	7.5%	11.5%	11.2%
Romania	11.4%	-0.5%	-3.3%	-8.0%	-9.1%	-5.3%
Slovenia	8.6%	1.1%	1.6%	2.9%	5.3%	5.3%
Austria	6.8%	-0.1%	-1.5%	-0.8%	-2.5%	-17.1%
Czech Rep.	6.8%	0.9%	0.0%	-0.4%	-4.1%	-2.6%
Greece	6.7%	1.2%	4.7%	5.3%	6.7%	6.7%
Baltics	2.5%	0.2%	0.0%	-0.6%	0.9%	-1.6%
Others	3.2%	0.3%	0.3%	0.2%	1.0%	0.3%

Contribution analysis

	1 mo	3 mo	12 mo	YTD	3 years	5 years
Poland	0.4%	-6.9%	-6.7%	-6.8%	-5.4%	-4.7%
Turkey	2.0%	-3.1%	0.2%	-2.4%	-8.2%	-7.4%
Hungary	1.2%	-0.4%	0.0%	-0.4%	0.3%	1.0%
Romania	0.7%	-3.9%	0.2%	-4.0%	3.7%	6.4%
Slovenia	0.9%	-0.6%	0.7%	-0.5%	1.4%	0.7%
Austria	0.1%	-2.5%	-1.7%	-2.4%	-0.1%	1.7%
Czech Rep.	0.8%	-2.1%	-2.5%	-2.3%	-1.2%	-1.3%
Greece	1.1%	0.2%	0.4%	0.2%	0.5%	0.5%
Baltics	0.2%	-0.6%	-0.6%	-0.6%	0.0%	0.6%
Others	0.2%	-0.7%	-0.4%	-0.6%	-0.6%	0.4%

Risk metrics

	5Y risk*
Alpha	2%
Volatility & stand. deviation	12.5%
Beta	0.56
Sharpe ratio	-0.21
Information ratio	0.58
Tracking error	10.4%

* MSCI EFM EUROPE + CIS (E+C) ex Russia

Turnover

	Adj*
FY 2019	26.1% 32.9%

* Adjusted for fund flows

Sector allocation

	Change
Financials	30.5%
Energy	13.4%
Health care	11.4%
Cons. Discr.	7.6%
Communication	7.5%
Industrial	7.2%
Real Estate	7.1%
Consumer Staples	3.8%
Others	4.5%

Contribution analysis

	1 mo	3 mo	12 mo	YTD	3 years	5 years
Financials	0.4%	-12.0%	-11.3%	-12.0%	-15.6%	-10.8%
Energy	1.4%	-1.6%	-0.4%	-2.1%	1.4%	2.8%
Health care	1.5%	0.1%	1.6%	0.2%	2.6%	2.4%
Cons. Discr.	1.4%	-1.9%	-0.5%	-1.8%	-0.9%	1.3%
Communication	0.9%	-0.3%	0.8%	-0.2%	0.9%	1.2%
Industrial	1.1%	-0.8%	-0.3%	-0.6%	0.0%	0.2%
Real Estate	0.1%	-2.2%	-1.4%	-2.0%	0.1%	-1.1%
Consumer Staples	0.2%	-1.2%	-0.1%	-0.7%	0.4%	0.5%
Others	0.7%	-0.7%	1.2%	-0.6%	1.4%	1.2%

Fund statistics

Number of positions	41
Top10	47.1%
Top20	71.4%
Gross exposure	93.0%
Net exposure	93.0%
Concentration coefficient	30
Median market cap MEUR	1460
Average market cap MEUR	2303

Style allocation

	Change
Cyclical	60.9%
Non-cyclical	25.0%
Asset play	7.1%
Cash	7.0%

Contribution analysis

	1 mo	3 mo	12 mo	YTD	3 years	5 years
Cyclical	4.8%	-16.4%	-12.0%	-16.4%	-15.8%	-9.2%
Non-cyclical	2.7%	-1.4%	2.0%	-0.8%	4.7%	4.2%
Asset play	0.1%	-2.9%	-0.3%	-2.5%	1.8%	1.6%
Cash	-0.1%	-0.2%	-0.2%	-0.3%	-0.7%	-0.7%

Liquidity analysis*

	20%	50%
3 days	68.5%	78.3%
2 weeks	82.5%	94.8%
4 weeks	95.6%	99.1%

* Proportion of portfolio that can be turned into cash based on past 6 month average trading volume if Fund accounted for 20% & 50% of trading volume

Fund Facts - Avaron Emerging Europe Fund

Investment Manager	AS Avaron Asset Management	Cut-off	10am CET
Fund type	UCITS V	NAV frequency	Daily dealing, T+3
Launch date	April 23, 2007	Supervised by	Estonian FSA
Domicile	Estonia	Custodian	Swedbank AS
Currency	EUR	Transfer agent	Swedbank AS
Dividends	reinvested	NAV calculation	Swedbank AS
Fund size, MEUR	44.1	External auditor	KPMG
Total AUM, MEUR	300+	Internal auditor	PWC

	NAV	ISIN code	TER 2019
30-Apr-2020			
B unit	4.2276 EUR	EE3600090056	1.63%
C unit	14.3243 EUR	EE3600102901	1.53%
D unit	11.8227 EUR	EE3600108866	2.38%
E unit	11.8632 EUR	EE3600108874	1.25%

Public offering	France, Switzerland, Germany, United Kingdom, Finland, Sweden, Estonia, Latvia, Lithuania
Tax transparency	Germany, Switzerland
Platforms & execution	Allfunds, MFEX, Clearstream AFS, SIX SIS AG, RBC Investor Services
Morningstar rating	Yes, four stars (5 years)
Fund documents & prospectus	www.avaron.com/documents

	WKN code	Telekurs ID	Bloomberg ticker	Reuters RIC
C unit	A0PEFO	CH10799792	AVAEESC ET	LP68063797
D unit	A1W7P0	CH12407332	AVEMEUD ET	LP68083763
E unit	A113GN	CH12414216	AVEMEUE ET	LP68083764

Unit class	D (Retail)	C (Institutional)	E (Institutional)
Min. initial investment	-	500,000 EUR	500,000 EUR
Front-end load	-	-	-
Management fee	2%	1.15%	0.85%
Performance fee (unit based)	-	-	15% over MSCI EFM EUROPE + CIS (E+C) ex RU index, annual reset (June 30)
Back-end load	-	-	-

Contact Information

Avaron Asset Management
Narva mnt 7D, 10117 Tallinn, ESTONIA
Phone: +372 66 44 205
Fax: +372 66 44 201
E-mail: info@avaron.com
www.avaron.com

About Avaron Asset Management

Avaron Asset Management (founded in 2007) is an independent management-owned investment manager with a clear focus on stock-picking (bottom-up) and value investing in Emerging Europe region. We aim to deliver positive risk-adjusted return to our clients over the market cycle. Our portfolios are long-only and invest in listed stocks. Investment ideas are generated through in-house proprietary research of approximately 250 Emerging Europe companies, backed by regular on the ground visits and meetings. Our stock selection is primarily driven by the upside to internally set target prices on single company level. We invest only in business models that we understand and can model ourselves focusing on companies with leading market positions and strong recurring revenue streams. In addition, we have integrated ESG analysis into our investment process and adhere to the UN Principles for Responsible Investment (UN PRI). Our team of 17 professionals (including 11 in the investment team), based in Estonia and Poland, takes care of around 400 million euros of mainly professional investor assets. We adhere to the *UN Principles for Responsible Investment* (PRI) and are supervised by the Estonian Financial Supervision Authority.

Signatory of:



Important Legal Information

For All Investors: This material has been drawn up by AS Avaron Asset Management (hereafter: Avaron), a fund management company registered in Estonia which is authorised and supervised by the Estonian Financial Supervision Authority. The contact details of Avaron are as follows: address Narva mnt 7D, 10117 Tallinn, Estonia; phone +372 6644 205; fax +372 6644 201; e-mail avaron@avaron.com. This material is the copyright property of Avaron, unless noted otherwise, and all rights are reserved. This material contains data and facts on investments and funds managed by Avaron, which are provided for information purposes only. No investment advice is offered or given by Avaron to persons using this material. This material is complimentary to and not a substitute for independent professional advice from a person qualified to provide it in your home country. Reliance on this material for the purpose of buying the securities to which this material relates may expose a person to a significant risk of losing all of the property or other assets invested. The information herein is, to the best of the knowledge of Avaron, in accordance with the facts. However, Avaron, none of its affiliates, directors or officers accept any liability in respect of the accuracy or completeness of any information herein, or omitted to be included herein, or any information provided, or omitted to be provided, by any third party. All information and expressions of opinion contained in this material are subject to change without notice. Subscription of Avaron funds should be made on the basis of the funds' prospectus and key investor information, the relevant fund rules and the latest available annual or semi-annual reports. These documents can be obtained from Avaron. Past performance is not indicative of future results. The value of investments and any income derived from the funds may fall as well as rise and investors may not get back the amount invested. An investment in the funds entails risks, some of which are described in the prospectuses of the funds. Investors should be aware of the high risks associated with investments in emerging markets such as Emerging Europe. This material may include forward looking statements which are based on Avaron's current opinions, expectations and projections. We undertake no obligation to update or revise any forward looking statements. Actual results could differ materially from those anticipated in the forward looking statements. Any dispute, controversy or claim arising out of or in connection with the information provided in this material shall be settled in accordance with Estonian law exclusively in Estonian courts. This material does not constitute or form part of a distribution or an offer or solicitation to buy or sell any securities (in particular, shares or units in any of Avaron funds) to any person in any jurisdiction in which such distribution, offer or solicitation would be contrary to local law or regulation.

For Swiss Investors: The Swiss representative is Carnegie Fund Services S.A., 11, rue du Général-Dufour, 1204 Geneva. The Swiss paying agent is Banque Cantonale de Genève, 17, quai de l'Île, 1204 Geneva, Switzerland. The Prospectus, the Fund Rules, the Key Investor Information Documents (KIID), the financial reports and further information can be obtained free of charge from the Swiss representative. The last unit prices can be found on www.fundeye.com. For the units of the Fund distributed to non-qualified investors in and from Switzerland and for units of the Fund distributed to qualified investors in Switzerland, the place of jurisdiction is Geneva. Each time performance data is published, it should be noted that the past performance is no indication of current or future performance, and that it does not take account of the commissions and costs incurred on the issue and redemption of units.

For US Investors: The information herein is not for distribution, and does not constitute an offer to sell or buy, or the solicitation of any offer to sell or buy, any securities in the United States of America or to or for the benefit of United States persons (within the meaning of Regulation S under the Securities Act of 1933).

For German Investors: The German Information Agent is Zeidler Legal Services, Bettinastrasse 48, 60325 Frankfurt, Germany. The Prospectus, the Fund Rules, the Key Investor Information Documents (KIIDs), the financial reports and further information can be obtained free of charge from the Information Agent. The last unit prices can be found on www.avaron.com. Each time performance data is published, it should be noted that the past performance is no indication of current or future performance, and that it does not take account of the commissions and costs incurred on the issue and redemption of units.

For UK Investors: The United Kingdom Facilities Agent is Zeidler Legal Services (UK) Limited, Aldgate Tower, 4th Floor, 2 Leman Street London E1 8FA, United Kingdom. The Prospectus, the Fund Rules, the Key Investor Information Documents (KIIDs), the financial reports and further information can be obtained free of charge from the Facilities Agent. The last unit prices can be found on www.avaron.com, as well by the Facilities Agent. Each time performance data is published, it should be noted that the past performance is no indication of current or future performance, and that it does not take account of the commissions and costs incurred on the issue and redemption of units.



Kristel Kivimägi-Priisalm
Managing Partner,
CEO & Investor Relations



Peter Priisalm
Partner, co-CIO,
Investment Manager



Valdur Jaht
Partner, co-CIO,
Investment Manager



Rain Leesi, CFA
Investment Manager